

FIRST REGULAR SESSION

# HOUSE BILL NO. 1050

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HEIN.

1511H.011

DANA RADEMAN MILLER, Chief Clerk

## AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for employing apprentices.

*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 135, RSMo, is amended by adding thereto one new section, to be known as section 135.455, to read as follows:

**135.455. 1. This section shall be known and may be cited as the "Missouri Registered Apprenticeship Program Tax Credit".**

**2. As used in this section, the following terms mean:**

**(1) "Journeyworker", a worker who has attained a level of skill, abilities, and competencies recognized within an industry as having mastered the skills and competencies required for the occupation. The term "journeyworker" shall include a mentor, technician, specialist, or other skilled worker who has demonstrated sufficient skills and knowledge of an occupation either through formal apprenticeship or through practical on-the-job experience and formal training;**

**(2) "Qualified amount", for any qualified taxpayer in a given tax year, an amount equal to one thousand dollars for each qualified apprentice employed by the qualified taxpayer for the tax year in which the tax credit is claimed;**

**(3) "Qualified apprentice", any employee who:**

**(a) Is a citizen or permanent resident of the United States;**

**(b) Is a Missouri resident;**

**(c) Is an apprentice, as defined under 29 CFR Part 29, registered and participating in an approved apprenticeship program, as defined under 29 CFR Part 29,**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 certified by the United States Department of Labor and conducted within the state of  
19 Missouri;

20 (d) Is employed by the qualified taxpayer for at least six months during each  
21 year of the employee's apprenticeship, up to five years; and

22 (e) Is compensated at a rate greater than or equal to the Missouri minimum  
23 wage;

24 (4) "Qualified taxpayer", any individual or entity subject to the state income tax  
25 imposed under chapter 143, 147, 148, 151, or 153, excluding the withholding tax  
26 imposed under sections 143.191 to 143.265, who is an employer of a qualifying  
27 apprentice;

28 (5) "Tax credit", a credit against the tax otherwise due under chapter 143, 147,  
29 148, 151, or 153, excluding withholding tax imposed under sections 143.191 to 143.265.

30 3. For all tax years beginning on or after January 1, 2024, a qualified taxpayer  
31 shall be allowed to claim a tax credit against the taxpayer's state tax liability in an  
32 amount equal to the taxpayer's qualified amount.

33 4. No individual shall be claimed as a qualified apprentice under this section,  
34 regardless of employer, more than five times.

35 5. A qualified taxpayer may claim different qualified apprentices for multiple  
36 tax credits, but shall not claim more than two apprentices per journeyworker. No  
37 corporate qualified taxpayer shall claim more than ten qualified apprentices per tax  
38 year.

39 6. Tax credits issued under the provisions of this section shall not be refundable,  
40 and no tax credit claimed under this section shall be carried forward to any subsequent  
41 tax year.

42 7. No tax credit claimed under this section shall be assigned, transferred, sold, or  
43 otherwise conveyed.

44 8. The cumulative amount of tax credits allowed to all qualified taxpayers under  
45 this section shall not exceed five hundred thousand dollars per tax year. If the  
46 cumulative amount of tax credits claimed in a tax year under this section exceeds five  
47 hundred thousand dollars, tax credits shall be allowed based on the order in which they  
48 are claimed.

49 9. The department of revenue shall promulgate all necessary rules and  
50 regulations for the administration of this section including, but not limited to, rules  
51 relating to the verification of a taxpayer's qualified amount. Any rule or portion of a  
52 rule, as that term is defined in section 536.010, that is created under the authority  
53 delegated in this section shall become effective only if it complies with and is subject to  
54 all of the provisions of chapter 536 and, if applicable, section 536.028. This section and

55 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**  
56 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**  
57 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**  
58 **and any rule proposed or adopted after August 28, 2023, shall be invalid and void.**

59 **10. Under section 23.253 of the Missouri sunset act:**

60 **(1) The provisions of the new program authorized under this section shall**  
61 **automatically sunset six years after the effective date of this section unless reauthorized**  
62 **by an act of the general assembly;**

63 **(2) If such program is reauthorized, the program authorized under this section**  
64 **shall automatically sunset twelve years after the effective date of the reauthorization of**  
65 **this section; and**

66 **(3) This section shall terminate on September first of the calendar year**  
67 **immediately following the calendar year in which the provisions authorized under this**  
68 **section are sunset.**

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